

Deferred Maintenance

U.S. Department of Health and Human Services

For the Fiscal Year Ended September 30, 2001

(in millions)

Deferred maintenance is maintenance that was not performed when it could have been, was scheduled and not performed, or was delayed for a future period. Maintenance is the act of keeping fixed assets in acceptable condition, including preventive maintenance, normal repairs, replacement of parts and structural components and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life. Maintenance does not include activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, those originally intended. Maintenance expense is recognized as incurred. The Centers for Disease Control and Prevention, the National Institutes of Health, and the Food and Drug Administration all use the condition assessment survey for all classes of property.

Category of Asset	Asset Condition	Cost to Return to Acceptable Condition	
		2001	2000
General PP&E			
Buildings	3-4	\$205.0	\$218.7
Equipment	4	7.1	—
Other Structures	4	13.4	20.5
Total		\$225.5	\$239.2

Asset Condition is assessed on a scale of 1-5 as follows: Excellent-1; Good-2; Fair-3; Poor-4; Very Poor-5. A "fair" or 3 rating is considered acceptable operating condition. Although PP&E categories may be rated as acceptable, individual assets within a category may require maintenance work to return them to acceptable operating condition. Therefore, asset categories with an overall rating "fair" or above may still report necessary costs to return them to acceptable condition.